

Real Property Assessment

- The Department of Assessments and Taxation assumed the assessment function from the counties in 1975 to provide fair and equitable real property assessments throughout the state.
- Clients:
 - State and Local Governments
 - Property Owners

Statewide Triennial Assessments

- Each County is divided into three groups
 - Geo 80 (Group 1) January 1, 2022, Date of Finality
 - 746,370 parcels 24,136 appeals
 - Geo 81 (Group 2) January 1, 2023, Date of Finality
 - 827,673 parcels 30,130 appeals (2020)
 - Geo 82 (Group 3) January 1, 2024, Date of Finality
 - 813,030 parcels 31,594 appeals (2021)

Tax Property Article

- Real Property is Valued at Full Cash Value
 - Defined as market value
- Use Value for agricultural land and golf courses

Valuation Approaches

- Cost
 - Land Value plus the depreciated value of improvements
- Market
 - Comparison of similar property sales
- Income
 - Capitalized value of the real estate income
 - Primarily used for commercial property

Property Types

- Residential
 - Single Family
 - Townhouse
 - Condominium
- Commercial
 - Office
 - Retail
 - Warehouse
 - Apartments

Attributes Collected for Cost Approach

- Location of property
- Size of Improvements
- Type of Construction
- Quality of Construction
- Building features

Model and Valuation

- Models (Similar Characteristics)
 - Location
 - Quality of Construction
 - Style of Construction
- Neighborhood Adjustment Factor
 - Market influence on models
- Statistical Measure
 - International Association of Assessing Officers (IAAO)

Assessing Residential Property

- SDAT uses a hybrid cost/market approach to value
 - Determine land value from sales
 - Determine depreciated construction cost
 - Apply market derived Neighborhood Adjustment Factor
 - Statistical validation with sale properties

Neighborhood Adjustment Factor

- Sale Price \$430,000
- Less Land Value -\$100,000
- Market Value of Improvements \$330,000
- Depreciated Construction Cost \$300,000

- Neighborhood Adjustment Factor 1.10
 - 330,000 divided by 300,000
 - Applied to all similar houses in the neighborhood.

Assessment Phase-In

- Increases phased in over three years
 - 2020 assessment value equaled \$300,000
 - 2023 assessment value equaled \$360,000
 - Phased in assessment the next three years
 - 2023 = \$320,000
 - 2024 = \$340,000
 - 2025 = \$360,000
- Decreases remain the same for three years

Owner Notified of Assessment Value

- The Notice
 - Value Information
 - Old and New Market Value
 - Value of Both Land and Buildings
 - Appeal Information
 - Appeal Deadlines
 - Hearing Options
 - Other Information
 - Worksheet Request
 - Sales Listings

Appealing an Assessment

- FIRST LEVEL – Supervisor's Level
- SECOND LEVEL – Property Tax Assessment Appeals Board (PTAAB)
- THIRD LEVEL – Maryland Tax Court (MTC)

2022 Homestead Caps

(apply only to owner occupied residential property)

- Allegany 4%
- Anne Arundel 2%
- Baltimore City 4%
- Baltimore County 4%
- Calvert 10%
- Caroline 5%
- Carroll 5%
- Cecil 4%
- Charles 7%
- Dorchester 5%
- Frederick 5%
- Garrett 5%
- Harford 5%
- Howard 5%
- Kent 5%
- Montgomery 10%
- Prince George's 5%
- Queen Anne 5%
- St. Mary's 3%
- Somerset 10%
- Talbot 0%
- Washington 5%
- Wicomico 5%
- Worcester 3%
- State 10%

Website Information

www.dat.maryland.gov

- Listing of Local Offices
- County Tax Rates
- Real Property Procedures
- Real Property Search
- Search of Sale Properties
- Property Classification (BPRUC)
- Forms (I.E. Address Change Request, Exemption Applications, Agricultural Use Application, etc.)

Homeowners' Tax Credit Program

The State of Maryland's Homeowners' Tax Credit Program established in 1978 allows credits against the homeowner's property tax bill if the property taxes exceed a fixed percentage of the person's gross income.

The Homeowners' Tax Credit sets a limit on the amount of property taxes any homeowner must pay based upon his or her income.

How Credits are Granted

- The Department uses a formula based on income to determine eligibility.
- HTC will be issued on the July tax bill if eligible and the application is received by April 15th and no additional information is needed.
- A refund if property taxes paid in full.

Filing Deadline

- October 1st of every filing year.
- Applicants must apply every year.

EXCEPTION

- Applicants age 70 or over may be eligible to apply for 3 prior years

2021 Homeowner's Tax Credit Statistics

- Applications received – approx. 61,000
- Number of Homeowners' Tax Credits issued – approx. 38,000
- Homeowners' Tax Credit dollars issued – approx. \$55.4 million
- Average Credit- \$1,465.

Renter's Tax Credit Program

- The Renters' Tax Credit Program was established in 1980 for applicants aged 60 or over and for applicants that are disabled.
- The program was expanded in 1984 to include applicants under the age of 60 who meet certain poverty threshold guidelines.
- Applicants may receive a direct check payment of up to \$1,000 each year.
- The filing deadline is October 1st of each year.
- Applicants must apply each year.

2021 Renter's Tax Credit Statistics

- Applications received – approx. 9,500
- Number of Renters' Tax Credits issued – approx. 6,600
- Renters' Tax Credit dollars issued – approx. \$3 million
- Average Renters' Tax Credit - \$446.37

Homestead Tax Credit Eligibility Program

- The Homestead Tax Credit limits the increase in the taxable assessment value each year to a fixed percentage for primary residence homeowners.
- Each county and municipality in Maryland is required to limit this increase to 10% or less.

How is Homestead Eligibility Determined?

- To qualify for Homestead Eligibility the property **MUST** be the primary residence of at least one (1) owner who is listed as the owner of record.
- A one-time application is filed with the Department and the application undergoes a review process to ensure that the home is in fact owner occupied.


Homestead Tax Credit Eligibility Statistics

- Applications received as of 12/31/2022 – approx. 1.1 million
- Approved as of 12/31/2022 - approx. 1 million properties



State Tax Sale Ombudsman's Office (TSO)

Homeowner Protection Program (HPP)



State Tax Sale Ombudsman's Mission

State Tax Sale Ombudsman
Bob Yeager

Our goal is to help Maryland homeowners navigate the tax sale process by providing the best information, assistance, and resources available to help homeowners:

- Pay their delinquent taxes
- Improve their financial situations
- Keep their homes



What we do

State Tax Sale Ombudsman
Bob Yeager

How we do it:

- Provide information
- Connect with appropriate resources
- Facilitate communications
- Partnerships
- Homeowner Protection Program (HPP)

Statistics

State Tax Sale Ombudsman
Bob Yeager

Launched 3 years ago on January 1, 2020

Assisted over 6,000 homeowners

Over 90% contacted us for the first time

Referred over 4,500 homeowners to housing and financial counseling, legal services, and other benefits programs

Helped facilitate the payment of over \$18M in delinquent property taxes to county finance offices across the state

96% of homeowners we contacted for follow up successfully avoided tax sale the year after we helped them

Data Collection & Reporting

Annual Tax Sale Survey
of the Counties

Maryland Annual Tax
Sale Report

State Tax Sale Ombudsman
Bob Yeager



Homeowner Protection Program (HPP)

**State Tax Sale Ombudsman
Bob Yeager**

Administered by the State Tax Sale Ombudsman's Office

What it is

An alternative pathway to the tax sale process

Helps homeowners pay off their debt by providing them:

1. An affordable repayment plan
2. Regular and ongoing communication and support
3. Individualized assistance plan tailored to their needs

Homeowner Protection Program (HPP)

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Eligibility

- Principal residence
- Combined household income of \$60,000 or less
- Assessed value is \$300,00 or less
- Total assets of \$200,000 or less

Enrollment priority if

- At least 60 years old
- Currently receiving federal disability benefits
- Owner occupant for 10 or more years

Homeowner Protection Program (HPP)

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What we do after enrollment

- Pay off homeowner's debt to the county, who will remove them from tax sale
- Work with homeowner to determine their needs and create an individualized assistance plan
- Help homeowner access counseling, credits, grants, and other resources
- Create a repayment plan for the homeowner to repay the debt
- Maintain regular contact with the homeowner to monitor and assist with their progress



Now accepting applications!

Homeowner Protection
Program (HPP)

State Tax Sale Ombudsman
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The Homeowner Protection Program
is now LIVE!

For more information and to apply, visit
the State Tax Sale Ombudsman's web
page:

dat.maryland.gov/taxsale

Questions?



Thank you!

**Bob Yeager,
State Tax Sale Ombudsman**